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Department of State TELEGRAM

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PAGE 01 STATE 023938

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C O N F I D E N T I A L STATE 023938

E.O. 11652: GDS

TAGS: PFOR, PARM, MNUC, KS, CA, FR

SUBJECT: KOREAN NUCLEAR REPROCESSING

1. NEWS OF ROK DECISION TO CANCEL REPROCESSING PLANT PURCHASE FROM FRANCE HAS BECOME PUBLIC AS RESULT QUESTIONING OF DEPARTMENT WITNESSES AT JAN 29 AND 30 SENATE GOVERNMENT OPERATIONS COMMITTEE HEARINGS ON FUTURE U.S. NUCLEAR EXPORT POLICY CHAIRED BY SENATOR GLENN. ON JAN 29 ACTING OES ASST SECY KRATZER, USING GUIDANCE CONTAINED REF A IN REPLY TO QUESTION CONCERNING STATUS OF SALE, STATED THAT ROKG HAD RECONSIDERED PURCHASE AND HAD RECENTLY INFORMED USG OF ITS DECISION TO CANCEL. ASKED IF USG HAD PRESSURED ROKG, KRATZER SAID DECISION HAD BEEN THEIR

PAGE 02 STATE 023938

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2. IN APPEARING BEFORE SAME COMMITTEE ON JAN 30, THE DEPUTY SECRETARY INCLUDED LOW-KEY MENTION OF CANCELLATION AND ROK INTEREST IN MULTINATIONAL REPROCESSING IN HIS PREPARED STATEMENT. SENATOR GLENN COMMENTED THAT COMMITTEE WAS PLEASED TO LEARN OF ROK DECISION AND BELIEVED CANCELLATION IS SIGNIFICANT DEVELOPMENT FOR U.S. NON-PROLIFERATION EFFORTS.

3. JAN 30 "WASHINGTON POST" RAN FRONT PAGE CANCELLATION STORY BASED IN PART ON KRATZER STATEMENTS. IT REPORTED THAT "INFORMED KOREAN SOURCES" (MOST LIKELY ROK EMBASSY HERE) SAID U.S. HAD EXERTED HEAVY PRESSURE ON ROK. ARTICLE ALSO STATES THAT USG WITHHELD KORI-II FINANCING AND INFLUENCED CANADIAN GOVERNMENT TO DELAY CANDU SALE (THESE CONTENTIONS NOT MENTIONED IN JAN 29-30 TESTIMONY). TEXT OF STORY SENT EMBASSY SEOUL IN USIA WIRELESS FILE.

4. FOLLOWING PRESS GUIDANCE PREPARED FOR JAN 30 NOON BRIEFING BUT NO QUESTIONS ON KOREAN REPROCESSING WERE ASKED.

QUOTE
QUESTION: IS IT TRUE THAT THE UNITED STATES PUT 'TREMENDOUS PRESSURE" ON KOREA TO BRING ABOUT CANCELLATION OF ITS PROPOSED REPROCESSING FACILITY?

ANSWER: WE MADE OUR VIEWS ON THIS FACILITY CLEAR TO THE KOREAN GOVERNMENT BUT THE DECISION TO CANCEL WAS ITS OWN, MADE, WE BELIEVE, IN RECOGNITION THAT THIS WAS IN ITS OWN INTEREST.

QUESTION: WHAT WAS THE FRENCH (OR CANADIAN) ATTITUDE OR ROLE IN RELATION TO THE KOREAN DECISION?

ANSWER: I AM NOT IN A POSITION TO COMMENT ON THE ROLE PLAYED BY ANY OTHER GOVERNMENT IN KOREA'S DECISION.

QUESTION: DID WE OFFER SOUTH KOREA ANY INDUCEMENTS

TO BRING ABOUT THIS ACTION?

ANSWER: WE POINTED OUT TO THE KOREAN GOVERNMENT FROM THE OUTSET OF OUR DISCUSSIONS THAT THE CONTINUATION AND STRENGTHENING OF OUR NUCLEAR AND TECHNICAL COOPERATION, WHICH WAS ALWAYS VERY CLOSE, WOULD BE FACILITATED IF THIS OBSTACLE WERE REMOVED. THAT KIND OF STRENGTHENING CAN NOW TAKE PLACE. FOR EXAMPLE, WE NOW EXPECT THE SUBMISSION TO CONGRESS OF THE LOAN APPLICATION FOR THE SECOND U.S. NUCLEAR POWER REACTOR. END QUOTE. KISSINGER